

Introduced by Senator Speier

February 24, 2006

An act to amend Sections 69432.7, 69437, and 69437.6 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

SB 1751, as introduced, Speier. Student financial aid: Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program.

(1) Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B entitlement awards, the California Community College Transfer Cal Grant Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

An existing provision of the act sets forth the maximum household income and asset levels for participants in the various grant programs under the act. These maximum levels are set forth in the act as they were adopted by the commission for the 2001–02 academic year, but the act authorizes the commission to annually adjust these levels based on the percentage change in the cost of living as defined in a specified provision of the California Constitution.

This bill would instead set forth the maximum household income and asset levels for participants in the various grant programs under the act as these maximum levels were adopted by the commission for the 2006–07 academic year.

(2) Existing law limits the number of Competitive Cal Grant A and B awards that may be granted annually to 22,500.

This bill would increase the annual limit of Competitive Cal Grant A and B awards to 34,000.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 69432.7 of the Education Code is
2 amended to read:
3 69432.7. As used in this chapter, the following terms have the
4 following meanings:
5 (a) An “academic year” is July 1 to June 30, inclusive. The
6 starting date of a session shall determine the academic year in
7 which it is included.
8 (b) “Access costs” means living expenses and expenses for
9 transportation, supplies, and books.
10 (c) “Award year” means one academic year, or the equivalent,
11 of attendance at a qualifying institution.
12 (d) “College grade point average” and “community college
13 grade point average” mean a grade point average calculated on
14 the basis of all college work completed, except for
15 nontransferable units and courses not counted in the computation
16 for admission to a California public institution of higher
17 education that grants a baccalaureate degree.
18 (e) “Commission” means the Student Aid Commission.
19 (f) “Enrollment status” means part-time status or full-time
20 status.
21 (1) Part time, for purposes of Cal Grant eligibility, is defined
22 as 6 to 11 semester units, inclusive, or the equivalent.
23 (2) Full time, for purposes of Cal Grant eligibility, is defined
24 as 12 or more semester units or the equivalent.
25 (g) “Expected family contribution,” with respect to an
26 applicant, shall be determined using the federal methodology
27 pursuant to subdivision (a) of Section 69506 (as established by
28 Title IV of the federal Higher Education Act of 1965, as
29 amended (20 U.S.C. Sec. 1070 et seq.)) and applicable rules and
30 regulations adopted by the commission.
31 (h) “High school grade point average” means a grade point
32 average calculated on a 4.0 scale, using all academic coursework,
33 for the sophomore year, the summer following the sophomore

year, the junior year, and the summer following the junior year, excluding physical education, reserve officer training corps (ROTC), and remedial courses, and computed pursuant to regulations of the commission. However, for high school graduates who apply after their senior year, “high school grade point average” includes senior year coursework.

(i) “Instructional program of not less than one academic year” means a program of study that results in the award of an associate or baccalaureate degree or certificate requiring at least 24 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.

(j) “Instructional program of not less than two academic years” means a program of study that results in the award of an associate or baccalaureate degree requiring at least 48 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.

(k) “Maximum household income and asset levels” means the applicable household income and household asset levels for participants in the Cal Grant Program, as defined and adopted in regulations by the commission for the ~~2001-02~~ 2006-07 academic year, which shall be set pursuant to the following income and asset ceiling amounts:

CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent and Independent students with dependents*		
Family Size		
Six or more	\$74,100 \$83,600	\$40,700 \$45,900
Five	\$68,700 \$77,500	\$37,700 \$42,500
Four	\$64,100 \$72,300	\$33,700 \$38,000
Three	\$59,000 \$66,500	\$30,300 \$34,200

	Cal Grant A, C, and T	Cal Grant B
Two	\$57,600 \$65,000	\$26,900 \$30,300
Independent		
Single, no dependents	\$23,500 \$26,500	\$23,500 \$26,500
Married	\$26,900 \$30,300	\$26,900 \$30,300

*Applies to independent students with dependents other than a spouse.

CAL GRANT PROGRAM ASSET CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent**	\$49,600 \$55,900	\$49,600 \$55,900
Independent	\$23,600 \$26,600	\$23,600 \$26,600

**Applies to independent students with dependents other than a spouse.

The commission shall annually adjust the maximum household income and asset levels based on the percentage change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. Any applicant who qualifies to be considered under the simplified needs test established by federal law for student assistance shall be presumed to meet the asset level test under this section. Prior to disbursing any Cal Grant funds, a qualifying institution shall be obligated, under the terms of its institutional participation agreement with the commission, to resolve any conflicts that may exist in the data the institution possesses relating to that individual.

(l) "Qualifying institution" means any of the following:

1 (1) Any California private or independent postsecondary
2 educational institution that participates in the Pell Grant program
3 and in at least two of the following federal campus-based student
4 aid programs:

5 (A) Federal Work-Study.

6 (B) Perkins Loan Program.

7 (C) Supplemental Educational Opportunity Grant Program.

8 (2) Any nonprofit institution headquartered and operating in
9 California that certifies to the commission that 10 percent of the
10 institution's operating budget, as demonstrated in an audited
11 financial statement, is expended for the purposes of
12 institutionally funded student financial aid in the form of grants,
13 that demonstrates to the commission that it has the administrative
14 capacity to administer the funds, that is accredited by the
15 Western Association of Schools and Colleges, and that meets any
16 other state-required criteria adopted by regulation by the
17 commission in consultation with the Department of Finance. A
18 regionally accredited institution that was deemed qualified by the
19 commission to participate in the Cal Grant Program for the
20 2000–01 academic year shall retain its eligibility as long as it
21 maintains its existing accreditation status.

22 (3) Any California public postsecondary educational
23 institution.

24 (m) "Satisfactory academic progress" means those criteria
25 required by applicable federal standards published in Title 34 of
26 the Code of Federal Regulations. The commission may adopt
27 regulations defining "satisfactory academic progress" in a
28 manner that is consistent with those federal standards.

29 SEC. 2. Section 69437 of the Education Code is amended to
30 read:

31 69437. (a) Commencing with the 2001–02 academic year,
32 and each academic year thereafter, there shall be established the
33 Competitive Cal Grant A and B award program for students who
34 did not receive a Cal Grant A or B entitlement award pursuant to
35 Article 2 (commencing with Section 69434), Article 3
36 (commencing with Section 69435), or Article 4 (commencing
37 with Section 69436). Awards made under this section are not
38 entitlements. The submission of an application by a student under
39 this section shall not entitle that student to an award. The
40 selection of students under this article shall be determined

1 pursuant to subdivision (c) and other relevant criteria established
2 by the commission.

3 (b) A total of ~~22,500~~ 34,000 Cal Grant A and B awards shall
4 be granted annually under this article on a competitive basis for
5 applicants who meet the general eligibility criteria established in
6 Article 1 (commencing with Section 69430) and the priorities
7 established by the commission pursuant to subdivision (c).

8 (1) Fifty percent of the awards referenced in this subdivision
9 are available to all students, including California community
10 college students, who meet the financial need and academic
11 requirements established pursuant to this article. A student
12 enrolling at a qualifying baccalaureate degree granting institution
13 shall apply by the March 2 deadline. A California community
14 college student is eligible to apply at the March 2 or the
15 September 2 deadline.

16 (2) Fifty percent of the awards referenced in this subdivision
17 are reserved for students who will be enrolled at a California
18 community college. The commission shall establish a second
19 application deadline of September 2 for community college
20 students to apply for these awards effective with the fall term or
21 semester of the 2001–02 academic year.

22 (3) If any awards are not distributed pursuant to paragraphs (1)
23 and (2) upon initial allocation of the awards under this article, the
24 commission shall make awards to as many eligible students as
25 possible, beginning with the students with the lowest expected
26 family contribution and highest academic merit, consistent with
27 the criteria adopted by the commission pursuant to subdivision
28 (c), as practicable without exceeding an annual cumulative total
29 of ~~22,500~~ 34,000 awards.

30 (c) (1) On or before February 1, 2001, acting pursuant to a
31 public hearing process that is consistent with the Bagley-Keene
32 Open Meeting Act (Article 9 (commencing with Section 11120)
33 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
34 Code), the commission shall establish selection criteria for Cal
35 Grant A and B awards under the competitive program that give
36 special consideration to disadvantaged students, taking into
37 consideration those financial, educational, cultural, language,
38 home, community, environmental, and other conditions that
39 hamper a student's access to, and ability to persist in,
40 postsecondary education programs.

(2) Additional consideration shall be given to each of the following:

~~(A) Students who graduated from high school or its equivalent prior to the 2000–01 academic year. This subparagraph shall not be applicable after the 2004–05 academic year.~~

~~(B)~~

(A) Students pursuing Cal Grant B awards who reestablish their grade point averages.

~~(C)~~

(B) Students who did not receive awards pursuant to Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), or Article 4 (commencing with Section 69436).

(d) All other students who meet the eligibility requirements pursuant to Article 1 (commencing with Section 69430) are eligible to compete for an award pursuant to this article.

SEC. 3. Section 69437.6 of the Education Code is amended to read:

69437.6. (a) An applicant competing for an award under this article shall meet all the requirements of Article 1 (commencing with Section 69430).

(b) To compete for a competitive Cal Grant A award, an applicant shall, at a minimum, meet all of the requirements of Article 2 (commencing with Section 69434), with the exception of paragraphs (1) and (8) of subdivision (b) of Section 69434. However, in lieu of meeting the grade point average requirement set forth in paragraph (3) of subdivision (b) of Section 69434, an applicant may submit a community college or college grade point average of at least 2.4 on a 4.0 scale.

(c) To compete for a competitive Cal Grant B award, an applicant shall, at a minimum, meet all of the requirements of Article 3 (commencing with Section 69435), with the exception of paragraphs (1) and (8) of subdivision (a) of Section 69435.3. However, in lieu of meeting the grade point average requirements of paragraph (3) of subdivision (a) of Section 69435.3, a student may reestablish his or her grade point average by completing at least 16 cumulative units of credit for academic coursework at an accredited California community college, as defined by the commission, by regulation, with at least a 2.0 community college grade point average.

1 (d) To compete for a competitive California Community
2 College Transfer Cal Grant Award, an applicant shall, at a
3 minimum, meet the requirements of Article 4 (commencing with
4 Section 69436), with the exception of paragraphs (8) and (9) of
5 subdivision (b) of Section 69436.

6 (e) All other competitors shall, at a minimum, comply with all
7 of the requirements of subdivision (b) of Section 69432.9.

8 (f) An individual selected for a Cal Grant A award who enrolls
9 in a California community college may elect to have the award
10 held in reserve for him or her for a period not to exceed two
11 academic years, except that the commission may extend the
12 period in which his or her award may be held in reserve for up to
13 three academic years if, in the commission's judgment, the rate
14 of academic progress has been as rapid as could be expected for
15 the personal and financial conditions that the student has
16 encountered. The commission shall, in this case, hold the award
17 in reserve for the additional year. Upon receipt of a request to
18 transfer the award to a tuition or fee charging qualifying
19 institution, the individual shall be eligible to receive the Cal
20 Grant A award previously held in reserve if, at the time of the
21 request, he or she meets all of the requirements of this article.
22 Upon receipt of the request, the commission shall reassess the
23 financial need of the award recipient. The commission may
24 prescribe the forms and procedures to be utilized for the purposes
25 of this section. A recipient's years of eligibility for payment of
26 benefits shall be based upon his or her grade level at the time the
27 award is transferred to the tuition or fee charging qualifying
28 institution. Any award so held in reserve shall only be counted
29 once toward the ~~22,500~~ 34,000 awards authorized by this article.